

	Aug 02, 2016	NAV/Index	YTD change
SLF		US\$ 0.89	-5.32%
ASI		6,503.30	-6.77%
S&P 20		3,529.67	-3.78%

Sri Lanka gets new World Bank procurement system ensuring integrity and transparency

➤ The World Bank has given Sri Lanka a new procurement system to make the best use of public money in bank-funded projects that promote transparency and accountability. Six core principals governing the new framework are value for money, fit-for-purpose, economy, efficiency, integrity, transparency and fairness, as per a World Bank statement. The World Bank's new Procurement Framework aims to help its partner countries in South Asia procure goods and services, making the best use of their public spending, strengthen their national procurement policies, and improve their development objectives.

ADB and SL Government sign US\$ 128Mn third tranche loan agreement

➤ The Asian Development Bank (ADB) and the Government of Sri Lanka signed a US\$ 128Mn third tranche loan agreement for phase three of the Greater Colombo Water and Wastewater Management Improvement Investment Program to assist the government to achieve its goal of providing safe water and full sanitation coverage for Greater Colombo under its Development Policy Framework. ADB's Multi-tranche Financing Facility (MFF) – totaling US\$ 300Mn - will fund 20% of the US\$ 1.5Bn investment plan for water and sanitation in Greater Colombo. The first tranche of US\$ 84Mn was made in 2012 and the second tranche of US\$ 88Mn in 2013. This is the third and last tranche of the MFF.

Unveiling of national economic policy, incentives to foreign investors soon: Prime Minister

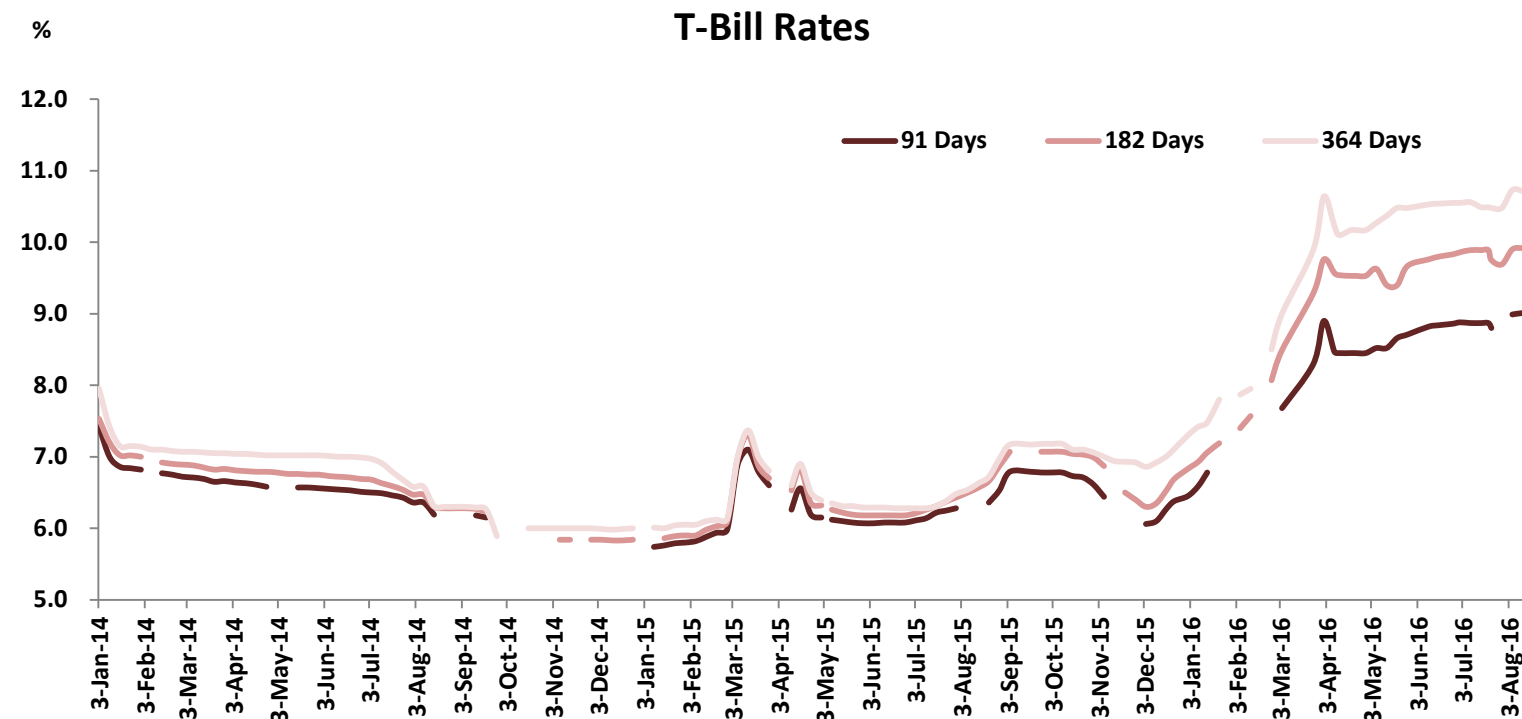
➤ Sri Lanka's national economic policy and opportunities and incentives offered to local and foreign investors will be unveiled very soon, as per the Sri Lankan Prime Minister. He said that since Sri Lanka possessed a limited market, it hoped to enter into free trade agreements with various countries in the international field. This would enable investors to reach out to a wider market through Sri Lanka.

Government Securities Update

➤ Weekly Sri Lanka's Treasuries yields increased across most maturities at Wednesday's auction with the 6 months yield increasing by 02bps to 9.94%, data from the state debt office showed. The 12 month bills increased by 02bps to stand at 10.74% and 03 month bills remained at 9.01%. The state offered Rs. 23.0Bn of bills for re-issue and accepted Rs. 14.5Bn of bids.

Sources: Daily FT SL (Business Newspaper), Lanka Business Online, The Sunday Leader, Central Bank of Sri Lanka (CBSL)

Chart of the Week



Picture Story



Pakistan High Commissioner to Sri Lanka Retired Major General Syed Shakeel Hussain with Finance Minister Ravi Karunanayake

Pakistan is keenly interested in investing in Sri Lanka, especially in the sectors of agriculture, Information Technology and construction, as per the Pakistan High Commissioner to Sri Lanka. Meeting Finance Minister at the Finance Ministry on 18 August 2016, the Pakistan High Commissioner further said he would encourage top Pakistani investors to come to Sri Lanka as there was a favorable investment environment prevailing in the island. Expanding of the existing direct flight service between the two countries was also discussed during the meeting.

Economic Indicators

	2015	2016	Change
Tourist Arrivals: Jul(16)	175,804	209,351	19.08%
Tourist Arrivals: Jul(16)-YTD	1,005,855	1,173,618	16.68%
Credit-Pvt Sec Rs.Bn-May(16)YTD	2,908	3,722	27.99%

Trade Balance(US\$ Mn) – May (702.9) (813.5) -15.73%

Imports (US\$ Mn) – May 1,585.5 1,589.8 0.27%

Investment Goods 345.8 408.8 18.22%

Intermediate Goods 889.2 851.4 -4.25%

Exports (US\$ Mn) - May 882.5 776.3 -12.03%

Agricultural 217.0 168.7 -22.26%

Textiles and Apparel 392.9 374.7 -4.63%

Levels

	2014	2015	2016
Quarterly GDP Real Growth	Q1 - 1.3%	Q1 - 4.4%	Q1 - 5.5%
	Q2 - 2.2%	Q2 -7.0%	
	Q3 - 5.0%	Q3 - 5.6%	
	Q4 - 10.3%	Q4 - 2.5%	
Annual GDP Real Growth (%)	4.90%	4.80%	

Levels

	Year Ago	Jun-16	Jul-16
Inflation -CCPI			
Year on Year	-0.20%	6.00%	5.50%
Annual Average	1.30%	2.20%	2.70%
Inflation -NCPI			
Year on Year	2.80%	5.30%	6.40%
Annual Average	-	2.70%	3.10%

Currencies

	Year Ago	Pre. Week	This Week
US\$	134.08	145.27	145.28
STG	210.12	188.55	190.96
Yen	1.08	1.43	1.45
Euro	148.02	161.82	164.74

Levels (%)

	Year Ago	Pre. Week	This Week
T - Bills			
3 Months	6.36	9.01	9.01
6 Months	6.66	9.92	9.94
12 Months	6.72	10.72	10.74

Price per Share (LKR)

	Pre. Week	This Week	Change
Top 5 Gainers			
CITK	3.50	4.10	17.14%
AMF	420.00	487.90	16.17%
CLND	26.00	29.30	12.69%
TKYO	48.30	54.10	12.01%
NEST	2,086.00	2,309.90	10.73%

Top 5 Losers

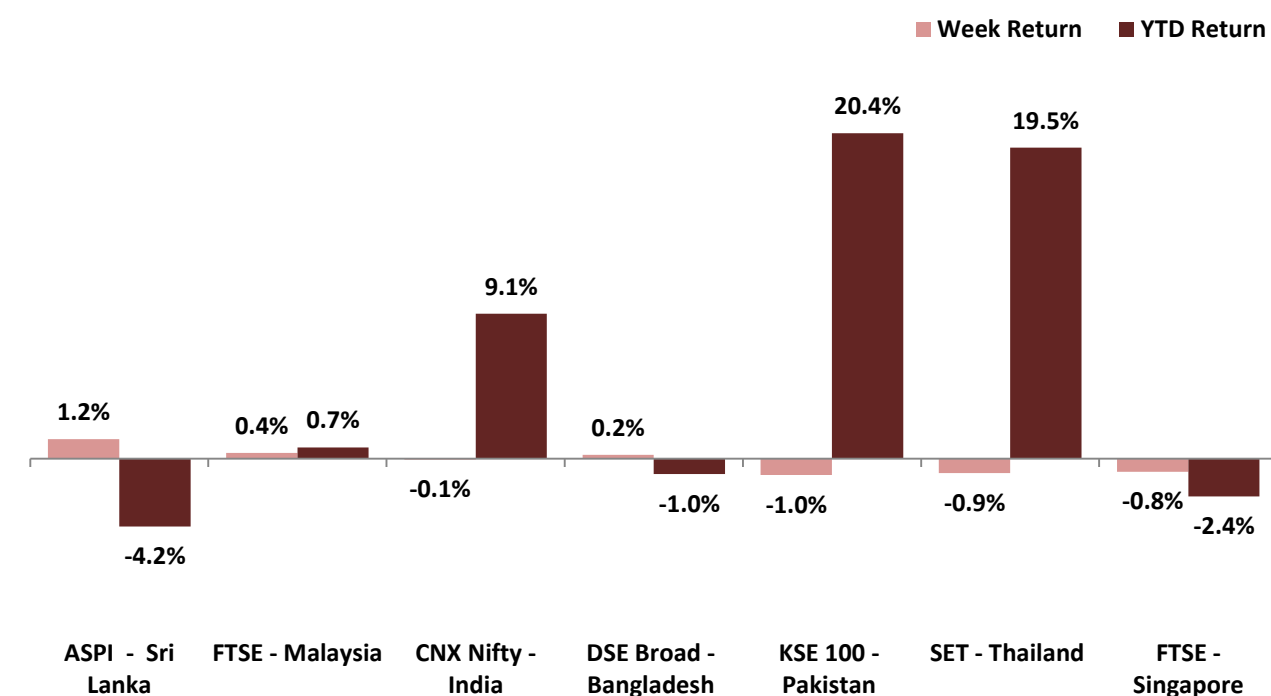
ACAP	12.80	10.70	-16.41%
ETWO	70.50	60.00	-14.89%
CTEA	829.00	724.90	-12.56%
RWSL	2.40	2.10	-12.50%
ATL	0.90	0.80	-11.11%

LKR

CSE Data

	Pre. Week	This Week	Change
CSE All Share Index (ASI)	6,522.14	6,602.24	1.2%
S&P Sri Lanka 20 Index (S&P SL 20)	3,566.84	3,632.86	1.9%
Total turnover (LKR Mn)	3,313.22	4,763.72	43.8%
Market PER	13.01	13.25	1.8%
Market PBV	1.50	1.52	1.3%
Dividend Yield	2.98	2.96	-0.7%
Market Capitalization (LKR Bn)	2,779.43	2,814.32	1.3%
Foreign Purchases (LKR Mn)	1,341.96	2,054.89	53.1%
Foreign Sales (LKR Mn)	806.60	2,004.91	148.6%
Net Foreign (LKR Mn)	535.36	49.98	-90.7%

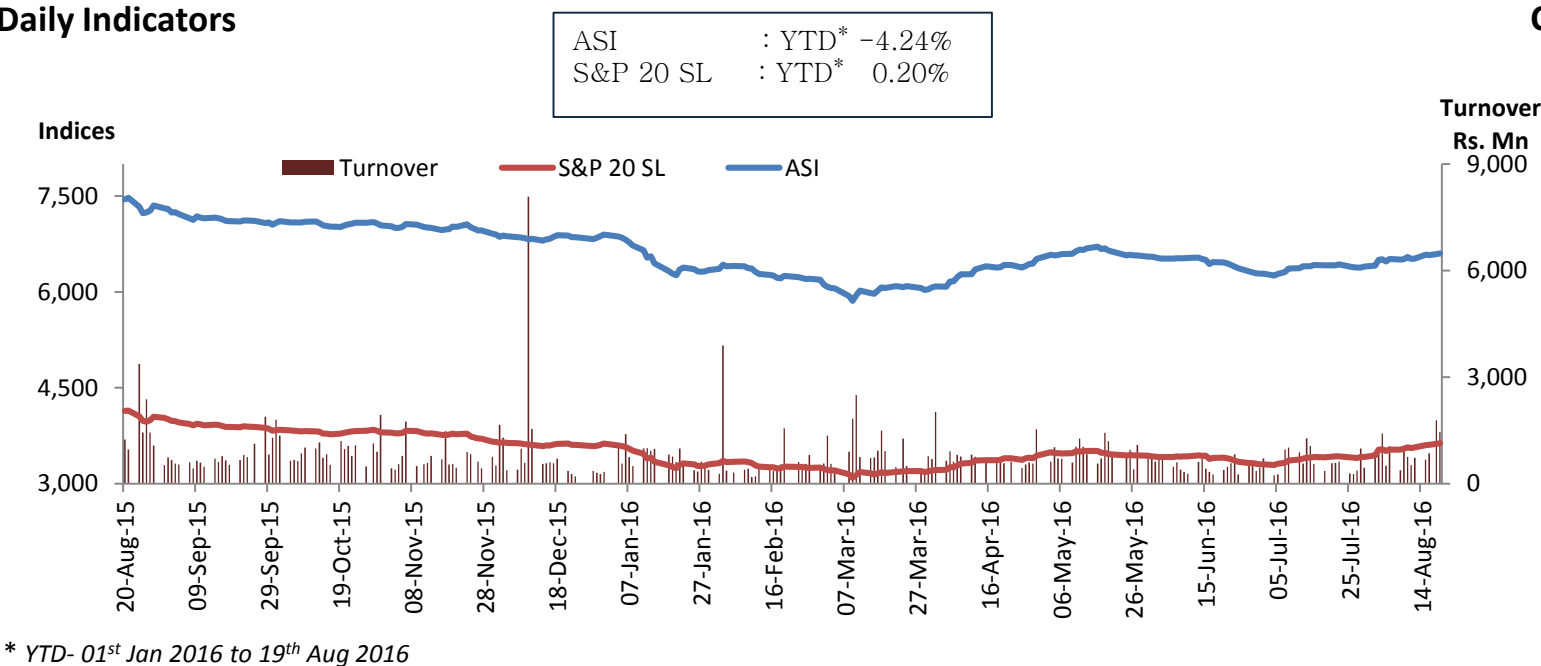
Regional Market Performance



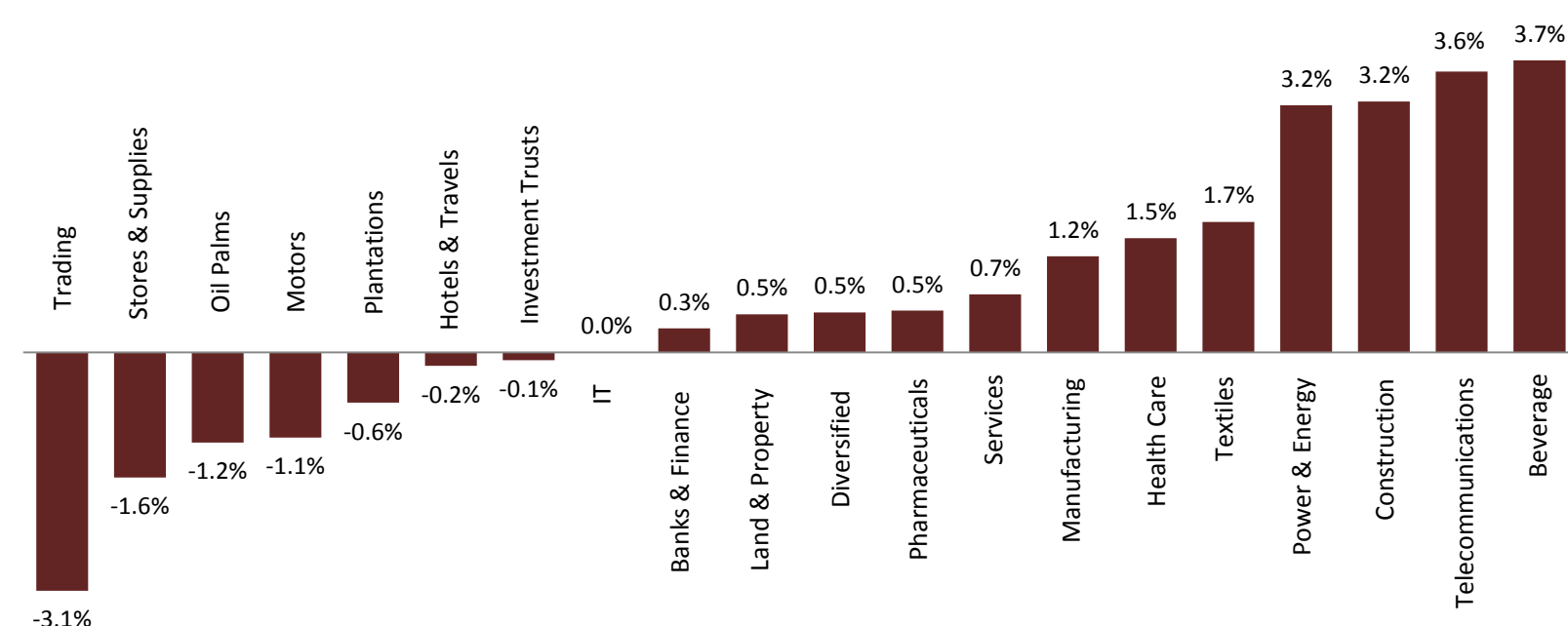
Sources: Central Bank of Sri Lanka (CBSL), Colombo Stock Exchange (CSE), Bloomberg, FactSet

- The Colombo Stock Exchange (CSE) increased during the week ended Friday 19th August 2016. The All Share Price Index (ASPI) increased by 1.2% to report at 6,602.2 while the S&P Sri Lanka 20 Index increased by 1.9% to report at 3,632.9. Total turnover for the week was Rs. 4.8Bn, an increase of 43.8% compared to previous week.
- Net foreign investments recorded a net inflow of Rs. 50.0Mn during the week. Year to date net foreign investment amounted to a negative Rs. 3,270.7Mn.
- Expolanka Holdings PLC (Expo), a diversified holding company has set its sights on expanding its leisure sector, as per the CEO. As an initial step, the company has tentative plans on managing small villas.
- Regnis Lanka PLC (Regnis), Manufacture of Refrigerators, Bottle Coolers, Deep freezers and Washing Machines, which has had a great run after the company changed to environmental friendly R 600 gas refrigerators, will upgrade its machinery by the year end in a bid to increase capacity as per an officials. Regnis plans to introduce a new refrigerator offering in 2016 as well.

Daily Indicators



CSE Weekly Sector Returns (%)



Sources: Colombo Stock Exchange (CSE), Business Newspapers